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OFFICE OF PETITIONS

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In re Patent of Corrado :
Patent No. 5,731,655 :
Issue Date: March 24, 1998 :
Application No. 08/614,212 : Decision on Petition
Filing Date: March 12, 1996 :
For: Spark Plug With 360 Degree :
Firing Tip :

A petition under 37 C.F.R. § 1.378(b) was filed January 23, 2012. Petitioner filed information supplementing the petition on March 1, 2012, May 23, 2012, and June 7, 2012.¹

The petition is **DISMISSED**.

Facts

The 11.5 year maintenance fee of \$2,055 could have been paid from March 24, 2009, to September 24, 2009, or with a surcharge of \$65 from September 25, 2009, to March 24, 2010. The fee was not timely paid. As a result, the patent expired on March 25, 2010.

Petitioner appears to have been unaware the maintenance fee was due on or before March 24, 2010, in order to avoid expiration of the patent. Specifically, the papers filed May 23, 2012, and June 7, 2012, state, "We incorrectly dated the fees due as March 2011 due [to] misreading a letter received by the patent office."

The papers filed by Petitioner indicate, as of the end of March 2009, Petitioner owned the following assets:

1. A 1993 Nissan car that has been driven approximately 320,000 miles as of May 23, 2012,
2. A rental property worth less than the debt on the property,
3. A home worth less than the debt owed on the home,

¹ The papers filed June 7, 2012, appear to be identical to the papers filed May 23, 2012, except for two changes. The first change is the addition of a signature to the "main" letter responding to the request. The second change is the omission of a signature on the transmittal letter filed with the main letter on May 23, 2012.

4. A mutual fund worth \$81.24, and
5. Savings totaling \$400.

Petitioner had a total income for the time period beginning March 2009 and ending April 2010, of \$21,324. Specifically, Petitioner had the following income for the following months:

March 2009	\$4,500
April 2009	\$0
May 2009	\$0
June 2009	\$0
July 2009	\$0
August 2009	\$0
September 2009	\$0
October 2009	\$2,332
November 2009	\$2,332
December 2009	\$2,432
January 2010	\$2,432
February 2010	\$2,432
March 2010	\$2,432
April 2010	\$2,432

On March 1, 2012, Petitioner provided monthly expense information for the time period beginning March 2009 and ending April 2010. The papers filed May 23, 2012, clarify the information by stating Petitioner spent approximately \$300 each week on gas and \$125 each week on food. Petitioner's expenses include a total of \$840 for a cell phone during the 14-month time period and a total of \$2,800 for DSL internet during the 14-month time period.

Assuming the estimates for the expenses are accurate, Petitioner had a total of approximately \$97,000 in expenses for the time period beginning March 2009 and ending April 2010.

The mortgage holder for Petitioner's residence foreclosed on the property during March 2010. Petitioner lists the following expenses for March 2010 related to the foreclosure: (1) \$7,500 for attorney fees, (2) \$4,550 for moving expenses, and (3) \$553.76 for storage.

The papers filed May 23, 2012, indicate Petitioner began living in the garage of his residential property during March 2010. The papers do not indicate the date Petitioner ceased living in the garage.

Petitioner has not provided information regarding Petitioner's income, expenses, assets, or debts for the time period beginning May 2010 and ending January 23, 2012, the date Petitioner filed the petition.

Law

A grantable petition under 37 C.F.R. § 1.378(b) must be accompanied by a showing to the satisfaction of the Director that the entire delay in paying the required maintenance fee from the

due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable.

In order for a party to show unavoidable delay, the party must show "reasonable care was taken to ensure that the maintenance fee would be promptly paid."² The level of "reasonable care" required to be shown is the same as the level of "care or diligence ... generally used and observed by prudent and careful men in relation to their most important business."³ When determining if a period of delay has been shown to have been unavoidable, the Office will take "all the facts and circumstances into account" and will decide each petition "on a case-by-case basis."⁴

35 U.S.C. § 41(c)(1) states, with emphasis added, "The Director may accept the payment of any maintenance fee . . . after the six month grace period if the delay is *shown to the satisfaction of the Director* to have been unavoidable." Therefore, petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

The Office and Congress have recognized the unavoidable standard can be very difficult to meet. During 1992, Congress considered the difficulty involved in reinstating a patent under the unavoidable. Congressional representatives described the unavoidable standard as inflexible, extremely hard to meet, too stringent and harsh.⁵ Congress did NOT take steps to make the unavoidable standard more flexible, easier to meet, less stringent, or less harsh. Instead, Congress determined that it would allow patent owners the ability to reinstate a patent under an "unintentional" standard as long as the petition was filed within 24 months of the expiration of the patent. Congress chose to continue requiring proof of unavoidable delay for petitions filed after the 24 month time period.

Analysis

A grantable petition under 37 C.F.R. § 1.378(b) must include payment of a surcharge of \$700 and include a showing the entire delay in payment of the maintenance fee was unavoidable. As

² 37 C.F.R. § 1.378(b).

³ *In re Mattulath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912). See also *Ray v. Lehman*, 55 F.3d 606, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995) (citations omitted) ("[I]n determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person.")

⁴ *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982).

⁵ "[The unavoidable] standard has been found to be extremely hard to meet. Some patent owners have lost their patent rights due to this inflexible standard." 138 CONG. REC. S16613, 16614 (September 30, 1992) (Rep. DeConcini) (emphasis added). "The unavoidable standard has proved to be too stringent in many cases." 138 CONG. REC. H1115 (October 3, 1992) (Rep. Hughes) (emphasis added). "The unavoidable standard is 'too stringent. Some patent owners have lost their patent rights due to circumstances that do not warrant this harsh result, but that could not be considered 'unavoidable' under current law.'" 138 CONG. REC. E1688 (June 4, 1992) (extension of remarks of Rep. McCollum) (emphasis added).

will be discussed, Petitioner has not submitted the surcharge or a showing sufficient to establish the entire delay in payment of the 11.5 year maintenance fee was unavoidable

Petitioner Has Failed to Submit the Required Surcharge.

Petitioner submitted the 11.5 year maintenance fee of \$2,365 fee on February 21, 2012.

The Office issued a Request for Information on March 1, 2012, and a second Request for Information on March 19, 2012. Both requests indicate a surcharge of \$700 must be filed with a petition under 37 C.F.R. § 1.378(b). Neither the papers filed May 23, 2012, nor the papers filed June 7, 2012, include the \$700 surcharge.

Petitioner has Failed to Establish Petitioner was Aware the Maintenance Fee was Due on or Before March 25, 2010.

The Office mailed a Request for Information on March 19, 2012. The request states,

Petitioner has not shown the maintenance fee would have been paid but for an inability to pay the fee. For example, Petitioner has not shown Petitioner knew of the fee and desired to pay the fee, but simply could not afford to pay the fee. Any response to the instant request must demonstrate Petitioner knew the fee was due or prove Petitioner's lack of knowledge the fee was due was unavoidable....

The petition states the maintenance fee was "due March 2011." However, the last date the fee could have been paid without the submission of a surcharge was March 24, 2010.

The papers filed May 23, 2012, state, "We incorrectly dated the fees due as March 2011 due [to] misreading a letter received by the Office."

In view of the prior discussion, Petitioner has failed to establish Petitioner was aware the maintenance fee was due on or before March 2010. In other words, Petitioner has failed to establish Petitioner's financial difficulties were a "but for" cause of the expiration of the patent.

Petitioner has Failed to Establish Petitioner's Lack of Knowledge of the Date the Maintenance Fee was Due was Unavoidable.

Delay resulting from a lack of knowledge of patent statutes, patent rules, and the Manual of Patent Examining Procedure ("MPEP") is not unavoidable delay.⁶ The time period during which the last maintenance fee must be paid for a patent is set forth in a statute, set forth in a regulation,

⁶ See *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing *Potter v. Dann*, 201 U.S.P.Q. (BNA) 574 (D. D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay); *Vincent v. Mossinghoff*, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D. D.C. 1985) ("Plaintiffs, through their counsel's actions, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.") (Emphasis added).

and discussed in the MPEP. Therefore, delay resulting from a lack of knowledge of the time periods during which a party must pay maintenance fees is not unavoidable delay.

Petitioner indicates Petitioner was unaware the fee was due on or before March 24, 2010, the date 12 years after the date of issuance, because “We … misread[] a letter received by the patent office.” Petitioner has not identified the letter and has not shown a reasonable and prudent person, aware of statutes, regulations, and sections of the MPEP pertaining to payment of maintenance fees, would have interpreted the letter to be an indication the 11.5 year maintenance fee was due on or before March 24, 2011, which was 13 years after the patent issued.

Petitioner has Failed to Address the Time Period from May 2010 until January 2012.

The Office mailed a Request for Information on March 19, 2012, stating,

Although Petitioner has provided financial information for each month for the time period beginning January 2009 and ending April 2010, Petitioner has not provided financial information for the time period beginning May 2010 and ending January 2012.

A grantable petition under 37 C.F.R. § 1.378(b) must establish the entire delay in the submission of the maintenance fee was unavoidable. In other words, the petition must establish,

1. The failure to timely pay the maintenance fee was unavoidable; and
2. The delay in filing the maintenance fee and a petition to reinstate the patent, beginning on the date the patent expired and ending on the date a petition was filed, was unavoidable.

Any response to the instant request must address the time period beginning May 2010 and ending January 2012.

The papers filed May 23, 2012, and the papers filed June 7, 2012, state, “We will provide more financial information from the dates May 2010 and ending January 2012 [and] [d]ocuments are attached to this letter.” Despite the quoted language, the papers filed May 23, 2012, and June 7, 2012, do *not* include income, expense, and asset information for Petitioner for the time period beginning May 2010 and ending January 2012.

Petitioner has not Identified the Date Petitioner Learned the Patent had Expired.

The Request for Information mailed March 19, 2012, states,

A grantable petition under 37 C.F.R. § 1.378(b) must identify the date a petitioner learned the patent expired.... Any response to the instant request must to identify the date Petitioner learned the instant patent had expired.

The papers filed May 23, 2012, and June 7, 2012, do not identify the date Petitioner became aware the patent had expired.

Clarification of the Income, Expense, and Asset Information Provided by Petitioner is Necessary to Properly Evaluate the Information.

Petitioner had a total income for the time period beginning March 2009 and ending April 2010, of \$21,324. Petitioner spent approximately \$97,000 on various expenses during the same time period.

The difference between Petitioner's expenses and Petitioner's income during the time period is approximately \$76,000. The information provided by Petitioner does not discuss the source of the \$76,000 used to pay the difference between the total expenses and income.

If a request for reconsideration under 37 C.F.R. § 1.378(b) is filed, the request should fully discuss the source of all funds used to pay the expenses.

Petitioner has Failed to Identify Any Steps in Place to Ensure the Maintenance Fee Would be Paid Timely.

37 C.F.R. § 1.378(b) requires a party to "enumerate the steps taken to ensure timely payment of the maintenance fee." In other words, a failure by a party to take, or obligate another party to take, steps to ensure timely payment of maintenance fees, will "preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b)(3)."⁷ "In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, [a] patentee's lack of knowledge of the need to pay the maintenance fee ... [will] not constitute unavoidable delay."⁸

Petitioner has failed to identify any steps taken by Petitioner to ensure the 11.5 year maintenance fee would be timely paid.

Petitioner has Failed to Establish Relief is Warranted Under 37 C.F.R. § 1.378(b).

Petitioner has not submitted the required \$700 surcharge, and the record fails to establish the entire delay in the submission of the 11.5 year maintenance fee was unavoidable. Therefore, the petition must be dismissed.

Petitioner's Current Options

I. Petitioner May file a Request for Reconsideration.

Any request for reconsideration must be submitted within TWO (2) MONTHS from the mail date of this decision, include the required \$700 surcharge, and include a non-refundable petition fee of \$400. Extensions of time under 37 C.F.R. § 1.136(a) are NOT permitted. The request

⁷ Manual of Patent Examining Procedure ("MPEP") § 2590 (8th ed., Rev. 8, July 2010).

⁸ *Id.* (citations omitted).

should include a cover letter entitled "Renewed Petition under 37 C.F.R. § 1.378(b)." This decision is **not** a final agency action within the meaning of 5 U.S.C. § 704.

After a decision on the petition for reconsideration is issued, no further reconsideration or review of the matter will be undertaken by the Director. Therefore, it is extremely important that petitioner supply any and all relevant information and documentation with the request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable. Therefore, if a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

If a request for reconsideration is filed, the request should address the use of the term "we" in papers filed by Petitioner. For purposes of this decision, the Office has assumed the term "we" is the equivalent of the term "I". However, the term appears to be referring to the inventor and at least one other individual.

II. Petitioner May File a Petition under 37 C.F.R. § 1.378(c).

Petitioner may wish to consider filing a petition to reinstate the patent based on unintentional expiration under 37 C.F.R. § 1.378(c). The surcharge for an unintentional petition is \$1,640. Therefore, if a petition under 37 C.F.R. § 1.378(c) is filed, the petition will need to be accompanied by \$1,640 for the surcharge. In general, a petition under 37 C.F.R. § 1.378(c) only needs to state the expiration of the patent was "unintentional," whereas a petition under 37 C.F.R. § 1.378(b) must prove that the entire delay in payment of the fee was "unavoidable."

A copy of a blank petition form PTO/SB/66 is enclosed for petitioner's convenience. A pdf-fillable version of the form can be found at: <http://www.uspto.gov/web/forms/sb0066.pdf>.

III. Petitioner may Request a Refund of the Maintenance Fee.

Petitioner may allow the patent to remain expired and file a request a refund of the maintenance fee. Petitioner is reminded that if a request for reconsideration is later filed along with the \$400 fee, the \$400 will not be refunded in the future. A request for a refund should be sent to: Mail Stop 16, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany any request for refund.

Addresses for Future Correspondence

Further correspondence with respect to this matter, excluding a paper consisting solely of a request for a refund, should be submitted as follows:

By facsimile: (571) 273-8300
Attn: Office of Petitions

By mail: Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

By hand: U.S. Patent and Trademark Office
Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

Telephone inquiries regarding this communication should be directed to Petitions Attorney Steven Brantley at (571) 272-3203.



Charles Steven Brantley
Senior Petitions Attorney
Office of Petitions

Enclosures: Form PTO/SB/66
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